

## Tips For The Risk-Averse Found Under The HiddenBed

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Risk and fear of the unknown are the biggest obstacles companies face when trying to convince other organizations to adopt new technology. Even if you have a compelling value proposition, unless there is convincing evidence that the product or service works as promised, companies won't change.



One of my clients is a South American company called HiddenBed, the developer of a cleverly designed bed/desk combination. Think of a sophisticated Murphy bed with a desk that rises into place when the bed is raised (*pictured, right, or, [watch it in action](#)*). The secret is a patented hydraulic mechanism that is so smooth it enables a cup of coffee--along with your computer, pens, and whatever else is on your desktop--to remain in place as the bed and desk are raised and lowered.

This product offers significant space-saving benefits. Obvious markets include small apartments, guest bedrooms-slash-offices, and institutional living facilities such as universities.

While HiddenBed has sold successfully into the residential markets outside the U.S., sales to U.S. universities were going slower than expected. Our research indicated that while the product has clear space-saving benefits, U.S. universities were nervous about trying a relatively unproven product with moving parts. Could a student get trapped in the bed? Would the bed stand up to the demands of dorm life? Would the students like it?

We realized that in order to convince U.S. universities that the product was safe and acceptable for U.S. students, we needed to test the bed in partnership with a leading, influential U.S. university.

Babson College, located in Wellesley, Mass., is recognized internationally for its entrepreneurship programs. With its focus on startups and innovation, Babson was the ideal partner to test and evaluate the HiddenBed in a university setting.

In January 2011, three HiddenBeds were installed at Babson for the spring semester. While all three student evaluators gave the HiddenBed two thumbs up, one of the students, Dinesh Wadhvani, found that it changed his entire college experience for the better.

In addition to studying for a degree at Babson, Dinesh is CEO of ThinkLite, a 20-person lighting efficiency startup that he runs from his dorm room. Recently ThinkLite won significant deals with AT&T, Kodak, and Babson College to reduce their lighting expenses.

One of the beautiful things about conducting beta tests is that you often discover unanticipated benefits that enhance your value proposition. Thanks to Dinesh, we learned that HiddenBed offers more than just extra space in a dorm room; it actually functions as a tool to improve a student's study and work environment.

While Dinesh appreciated the extra space that the HiddenBed provided, what he really loved was the larger work surface. This change enabled him to study more efficiently in his room and host work groups. Dinesh has requested that Babson allow him to keep the HiddenBed for his senior year.

In recapping his experience with the HiddenBed, Dinesh and I drew parallels between HiddenBed and ThinkLite. To succeed, both companies must convince large organizations to change their behavior. Working with leading-edge companies is key. From there, HiddenBed and ThinkLite took three actions to manage their early adopters that would be useful to any purveyor of new technology:

**Minimize the risk of being an early adopter:** As mentioned at the beginning, perceived risk by the customer is the biggest hurdle to technology adoption. This is true even when asking a customer to just beta test a new product or a new company. HiddenBed overcame this hurdle by providing and installing the beds at no charge to Babson. HiddenBed also provided answers to all of Babson's questions about the safety and construction of the bed. ThinkLite reduces risk by not charging customers upfront but instead asking for a percentage of the energy savings. ThinkLite provides an entire lighting solution by removing the current light bulbs, recycling them, and installing the entire new solution. ThinkLite's performance-based pricing serves as its foundation for value-based selling.

**Make the early users successful:** HiddenBed assigned a seasoned executive to act as the liaison to Babson. He worked closely with the students and Babson administration to gather feedback about the HiddenBed. This feedback will be used to make product development decisions and drive HiddenBed's go-to-market strategy. ThinkLite under-projected the anticipated savings so that the early users were pleasantly surprised. As a result, the early users became the best advocates for ThinkLite.

**Promote the early users:** Supporting the growth of startups and small businesses is core to Babson's mission. For HiddenBed, the right to promote the results of the initial evaluation was established during the negotiation of the evaluation agreement. Already, Dinesh made a testimonial video. Other promotional vehicles are in the works. ThinkLite also is leveraging its early adopters. AT&T and Kodak have given publishable testimonials and permission to use their logos; an influential sports facility, LongFellow Tennis Club, will soon do a press release with ThinkLite which will open doors at similar facilities.

On the surface, beds and energy-efficiency companies don't have a lot in common. However, there is much to learn from both on how to convince risk-adverse companies to evaluate new technology.

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